
HOUSE BILL No. 1094

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-4.

Synopsis: Valuation date for assessments. Requires that real property be valued for property tax assessment purposes as of the assessment date. Voids rules and guidelines that require assessing officials to value real property on a date that is different from the assessment date to which the value applies. Provides an exemption to the deadlines specified by law for the adoption of certain rules and certain other actions in order to bring the rules and actions into conformity with the change in valuation date.

Effective: Upon passage; July 1, 2009.

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January 8, 2009, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

HOUSE BILL No. 1094

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-4-4, AS AMENDED BY P.L.146-2008,
2 SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2009]: Sec. 4. (a) A general reassessment, involving a
4 physical inspection of all real property in Indiana, shall begin July 1,
5 2000, and be the basis for taxes payable in 2003.

6 (b) A general reassessment, involving a physical inspection of all
7 real property in Indiana, shall begin July 1, 2009, and each fifth year
8 thereafter. Each reassessment under this subsection:

9 (1) shall be completed on or before March 1 of the year that
10 succeeds by two (2) years the year in which the general
11 reassessment begins; and

12 (2) shall be the basis for taxes payable in the year following the
13 year in which the general assessment is to be completed.

14 (c) In order to ensure that assessing officials are prepared for a
15 general reassessment of real property, the department of local
16 government finance shall give adequate advance notice of the general
17 reassessment to the assessing officials of each county.

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(d) For a general reassessment that begins on or after July 1, 2009, the assessed value of real property shall be based on the estimated true tax value of the property on the assessment date that is the basis for taxes payable in the year following the year in which the general assessment is to be completed.

SECTION 2. IC 6-1.1-4-4.5, AS AMENDED BY P.L.228-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4.5. (a) The department of local government finance shall adopt rules establishing a system for annually adjusting the assessed value of real property to account for changes in value in those years since a general reassessment of property last took effect.

(b) Subject to subsection (e), the system must be applied to adjust assessed values beginning with the 2006 assessment date and each year thereafter that is not a year in which a reassessment becomes effective.

(c) The rules adopted under subsection (a) must include the following characteristics in the system:

(1) Promote uniform and equal assessment of real property within and across classifications.

(2) Require that assessing officials:

(A) reevaluate the factors that affect value;

(B) express the interactions of those factors mathematically;

(C) use mass appraisal techniques to estimate updated property values within statistical measures of accuracy; and

(D) provide notice to taxpayers of an assessment increase that results from the application of annual adjustments.

(3) Prescribe procedures that permit the application of the adjustment percentages in an efficient manner by assessing officials.

(d) The department of local government finance must review and certify each annual adjustment determined under this section.

(e) In making the annual determination of the base rate to satisfy the requirement for an annual adjustment under subsection (a), the department of local government finance shall determine the base rate using the methodology reflected in Table 2-18 of Book 1, Chapter 2 of the department of local government finance's Real Property Assessment Guidelines (as in effect on January 1, 2005), except that the department shall adjust the methodology to use a six (6) year rolling average instead of a four (4) year rolling average.

(f) For assessment dates after January 15, 2009, an adjustment in the assessed value of real property under this section shall be based on the estimated true tax value of the property on the assessment date that is the basis for taxes payable on that true tax

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1 **value.**

2 SECTION 3. IC 6-1.1-4-13.6, AS AMENDED BY P.L.146-2008,
 3 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 UPON PASSAGE]: Sec. 13.6. (a) The township assessor, or the county
 5 assessor if there is no township assessor for the township, shall
 6 determine the values of all classes of commercial, industrial, and
 7 residential land (including farm homesites) in the township or county
 8 using guidelines determined by the department of local government
 9 finance. Not later than November 1 of the year preceding the year in
 10 which a general reassessment becomes effective, the assessor
 11 determining the values of land shall submit the values to the county
 12 property tax assessment board of appeals. Not later than ~~December~~
 13 **March** 1 of the year ~~preceding the year~~ in which a general
 14 reassessment becomes effective, the county property tax assessment
 15 board of appeals shall hold a public hearing in the county concerning
 16 those values. The property tax assessment board of appeals shall give
 17 notice of the hearing in accordance with IC 5-3-1. ~~and shall hold the~~
 18 ~~hearing after March 31 and before December 1 of the year preceding~~
 19 ~~the year in which the general reassessment under section 4 of this~~
 20 ~~chapter becomes effective.~~

21 (b) The county property tax assessment board of appeals shall
 22 review the values submitted under subsection (a) and may make any
 23 modifications it considers necessary to provide uniformity and equality.
 24 The county property tax assessment board of appeals shall coordinate
 25 the valuation of property adjacent to the boundaries of the county with
 26 the county property tax assessment boards of appeals of the adjacent
 27 counties using the procedures adopted by rule under IC 4-22-2 by the
 28 department of local government finance. If the county assessor fails to
 29 submit land values under subsection (a) to the county property tax
 30 assessment board of appeals before November 1 of the year before the
 31 date the general reassessment under section 4 of this chapter becomes
 32 effective, the county property tax assessment board of appeals shall
 33 determine the values. If the county property tax assessment board of
 34 appeals fails to determine the values before the general reassessment
 35 becomes effective, the department of local government finance shall
 36 determine the values.

37 (c) The county assessor shall notify all township assessors in the
 38 county (if any) of the values as modified by the county property tax
 39 assessment board of appeals. Assessing officials shall use the values
 40 determined under this section.

41 SECTION 4. [EFFECTIVE UPON PASSAGE] **(a) 50 IAC 21-3-3**
 42 **and any other rule or guideline of the department of local**

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1 government finance is voided on July 1, 2009, to the extent that it
2 is inconsistent with IC 6-1.1-4-4, IC 6-1.1-4-4.5, or IC 6-1.1-4-13.6,
3 all as amended by this act. Notwithstanding any other law
4 specifying the last date on which the department of local
5 government finance or a political subdivision may certify a
6 professional appraiser, certify computer systems or computer
7 vendors, enter into a contract, or adopt a rule or guidelines for a
8 general reassessment or annual adjustment in assessed value, the
9 acts necessary to certify or recertify a professional appraiser,
10 certify or recertify a computer system or vendor, enter into or
11 amend a contract, or adopt a rule or guideline to conform a
12 certification, contract, rule, or guideline to IC 6-1.1-4-4,
13 IC 6-1.1-4-4.5, or IC 6-1.1-4-13.6, all as amended by this act, may
14 be taken after the effective date of this SECTION.

15 (b) This SECTION expires July 1, 2010.

16 SECTION 5. An emergency is declared for this act.

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